

8 April 1954

25X1A5a1

Subject:

25X1A5a1

25X1A6a

Dear Mr. [REDACTED]

Reference is made to your letter of 3 March 1954, enclosing copy of letter from [REDACTED] Service regarding additional insulation of ducts in which the subcontractor takes exception to proceeding with the work on the basis of my letter of 8 February 1954.

Your attention is invited to Article 3 of the Contract and also to paragraph 1.3, Section 1, General Conditions of the Specifications. The former refers to the procedures involving changes and provides that an equitable adjustment therefor shall be determined, and further requires prosecution of the work pending such determination. The latter refers to subcontracts and precludes the creation of any contractual relationship between the subcontractor and the Government.

Full compliance with these provisions is required, with emphasis on the fact that the Government cannot become involved in subcontractual controversies. Regarding Modification No. 3, detail information will be conveyed to you by [REDACTED]

Your proposal for the additional acoustical treatment of ducts, dated 23 December 1953, particularly regarding the item of labor cost, could not be reconciled with comparative cost checks. It is appreciated that distance, location and other factors may reflect justifiable additional costs, however, the proposal as submitted does not indicate such items in a manner that can be reconciled.

Since it is necessary that all items of cost in a change order proposal must be reviewed for equitable determination, complete substantiation for the breakdown cost items would simplify the mechanics of such review and enhance the expeditious approval of the Contract modification.

Very truly yours,

25X1A9a

[REDACTED]
Chief, Real Estate and Construction Division